

# Subversive Capital Acquisition Corp., The Largest Cannabis SPAC In History, Issues Open Letter To Shareholders Highlighting Operational Strength And Investment Proposition

-- Poised to Close 'Qualifying Transaction' and Reshape Cannabis Market in CA and Beyond --  
-- Investors to Benefit from Fully-integrated Platform and Organic and Acquisitive Growth Strategies with Strong and Experienced Management Team --

NEW YORK and TORONTO, Jan. 6, 2021 /PRNewswire/ -- Subversive Capital Acquisition Corp. (NEO: SVC.A.U, SVC.WT.U; OTCQX: SBVCF) ("SCAC"), a special purpose acquisition company, today issued an open letter from its Chairman, Michael Auerbach, highlighting the key strategic attributes that will enable it to assume a clear leadership position in California's cannabis market while driving outperformance for shareholders.



The letter follows SCAC's November 2020 entry into definitive transaction agreements with global icon, entrepreneur and MONOGRAM founder, Shawn "JAY-Z" Carter, entertainment powerhouse Roc Nation; CMG Partners Inc. ("Caliva"), California's most trusted cannabis brand and leading direct-to-consumer platform; and Left Coast Ventures, Inc. ("Left Coast Ventures"), a predominant cannabis and hemp company with low-cost manufacturing and a diversified portfolio of brands, to form TPCO Holding Corp. ("The Parent Company" or "TPCO") (the "Transaction"). SCAC anticipates that the transactions constituting The Parent Company will close on or around January 15, 2021, subject to customary closing conditions. A copy of the final prospectus (the "Prospectus") associated with the Transaction is available on SEDAR at [www.sedar.com](http://www.sedar.com) and on SCAC's website at [www.subversivecapital.com/s/Prospectus](http://www.subversivecapital.com/s/Prospectus).

The full text of Mr. Auerbach's letter is included below.

## Open Letter to Existing and Prospective Shareholders

Dear Shareholders,

As we enter 2021, all of us at Subversive Capital Acquisition Corp. are working diligently to close the industry-defining transaction we announced in November. As the largest cannabis SPAC in history, we have moved aggressively and decisively to consolidate the California cannabis market through the creation of The Parent Company ("TPCO") - a global cannabis leader bringing together JAY-Z, Roc Nation, Caliva and Left Coast Ventures to offer investors a unique and durable value proposition.

In anticipation of closing, we have already begun - in earnest - leveraging TPCO's advanced vertically integrated infrastructure, industry leading omnichannel platform, robust portfolio of brands, and unparalleled cultural influence. We believe that the following attributes will be the key drivers of shareholder value.

- **Proven Business Model with Attractive Valuation** - TPCO will bring together two top California operators, Caliva and Left Coast Ventures, the combination of which will create a fully vertically integrated platform with cultivation, manufacturing, brands, retail and delivery to support further brand development and an accretive M&A strategy. We expect that the merger will result in:
  - Operating Platform: Both Caliva and Left Coast Ventures have deep California roots and combine to form a vertically integrated operational platform, allowing TPCO to own its supply chain,

leverage scale and profitably produce and distribute a broad portfolio of cannabis products for every consumer segment.

- **Omnichannel Distribution:** Caliva has built and validated a scalable omnichannel business model offering customers convenient express or scheduled delivery, and in-store or curbside pick-up, all through a single user-centric e-commerce platform, Caliva.com. This strategy maximizes gross profit and EBITDA margins, while generating proprietary customer relationships and data.
  - **Consumer Reach:** TPCO is expected to have the greatest consumer reach of any cannabis company in California, projecting to reach 75% of consumers in the state by the end of 2021 and almost 90% by the end of 2022.
  - **Experienced Management:** TPCO will be led by an experienced executive team with deep knowledge of the combined companies, the cannabis industry, and the consumer packaged goods, technology and financial industries.
- **Exclusive Brand Partnerships** - Shawn "JAY-Z" Carter and Roc Nation, the world's preeminent entertainment company, will lead brand and cultural marketing strategy, leveraging differentiated cultural influence of leading artists and entertainers seeking to build the most valuable and scalable brand portfolio in cannabis. JAY-Z's flagship brand MONOGRAM, launched in December 2020, generated nearly one billion media impressions in the first 48 hours, including mentions from Rolling Stone, The L.A. Times, Late Night with Jimmy Fallon and Saturday Night Live.
  - **Strong Balance Sheet** - SCAC currently holds approximately \$575 million cash-in-trust, which will make TPCO one of the most well-capitalized cannabis companies in the United States assuming no redemptions. TPCO expects to pursue an aggressive M&A strategy to accelerate growth, market share gains, and profitability.
  - **Industry-Defining Social Impact** - Led by Shawn "JAY-Z" Carter, The Parent Company will fund The Parent Company Social Equity Ventures with an initial target of \$10 million and an annual contribution of at least 2% of its net income to invest in minority-owned and Black-owned cannabis businesses and contribute to the effort to rectify the wrongs of prohibition through diversifying both the business leadership and workforce of the cannabis industry. Beyond investing, the fund will also support organizations and programs focused on diversifying the cannabis workforce through job fairs and placement, industry training and education, as well as Social Equity application support.

We believe these differentiating attributes create a company poised for success and outperformance. Indeed, no peer in the cannabis marketplace can compete with the vertical integration, direct-to-consumer reach, and brand awareness and recognition that TPCO will possess.

As we have previously emphasized, TPCO is positioned to capitalize on "The Perfect Storm." Every secular, regulatory and cultural trend affirms that people around the world want broad-scale adoption of adult-use cannabis. In the U.S. alone, 46 states have enacted at least one law that permits manufacturing, distribution, dispensing or possession of cannabis or concentrates. TPCO is the first cannabis company built for the post-prohibition era.

The legal cannabis market is expected to grow to approximately \$47 billion globally by the end of 2025 - and the winners will be the companies with the financial strength, operating platform, management and brands that thrive. Not *survive*, as so many are struggling to do, but *thrive*. That is our ambition at TPCO, and we are on track to do so. We look forward to the journey with you as vested and committed economic partners.

Thank you,  
/s/ Michael Auerbach

### **Conference Participation**

SCAC also today reminded investors that it will present live at [VirtualInvestorConferences.com](https://VirtualInvestorConferences.com) on January 7th. Mr. Auerbach will be joined by Leland Hensch, CEO of Subversive Capital Acquisition Corp., Steve Allan, CEO of The Parent Company, Brett Cummings, CFO of The Parent Company and President of

Left Coast Ventures, Dennis O'Malley, COO of The Parent Company and President of Caliva - all of whom will present and be available for a Q&A.

Conference details include:

**DATE:** January 7, 2021

**TIME:** 3:00 p.m. ET

**LINK:** <https://bit.ly/3ntV6uT>

### **How to Invest**

To invest in The Parent Company and Subversive Capital Acquisition Corp., investors may buy or sell shares through their usual investment platform or brokerage. U.S. investors can buy and sell OTCQX securities under the ticker symbol "SBVCF" and Canadian investors can buy and sell through the NEO Exchange under the ticker symbol "SVC.A.U." Following closing, the securities of TPCO will continue trading on the NEO and on the OTCQX.

SCAC anticipates that the transactions constituting The Parent Company will close on or around January 15, 2021, subject to customary closing conditions. A copy of the Prospectus associated with the Transaction is available on SEDAR at [www.sedar.com](http://www.sedar.com) and on SCAC's website at [www.subversivecapital.com/s/Prospectus](http://www.subversivecapital.com/s/Prospectus).

### **About Subversive Capital Acquisition Corp.**

Subversive Capital Acquisition Corp. (SCAC) is a special purpose acquisition corporation incorporated under the laws of the Province of British Columbia for the purpose of effecting, directly or indirectly, a qualifying transaction within a specified period of time. Founded by Michael Auerbach and led by Chief Executive Officer, Leland Hensch, SCAC is dedicated to investing in radical companies whose core missions subvert the status quo. For more information, visit [www.subversivecapital.com](http://www.subversivecapital.com).

### **ABOUT THE PARENT COMPANY**

The Parent Company (TPCO Holding Corp.) (OTCQX: SBVCF, NEO: SVC.A.U, SVC.WT.U) will be California's leading vertically-integrated cannabis company combining best-in-class operations with leading voices in popular culture and social impact. The Parent Company brings together global icon and entrepreneur Shawn "JAY-Z" Carter, entertainment powerhouse ROC NATION, California's leading direct-to-consumer platform CALIVA, and leading cannabis and hemp manufacturer, LEFT COAST VENTURES, to form a cannabis industry leader for the post-prohibition era. Chief Visionary Officer Shawn "JAY-Z" Carter, one of the most recognized and celebrated entrepreneurs of our time, will guide The Parent Company's brand strategy in partnership with Roc Nation, the world's preeminent entertainment company with a roster of culture-making artists, athletes and influencers. The brands we build together will pave a new path forward for a legacy rooted in equity, access, and justice. See "Forward Looking Statements" below for more information on The Parent Company.

### **Forward Looking Statements**

This press release may contain forward-looking information within the meaning of applicable securities legislation which reflects SCAC's current expectations regarding future events. The words "will", "expects", "intends" and similar expressions are often intended to identify forward looking information, although not all forward-looking information contains these identifying words.

Specific forward-looking information contained in this press release includes, but is not limited to, statements concerning the completion of the Transaction and the expected timing thereof, The Parent Company's size and operations following closing of the Transaction and the anticipated size of the future global cannabis market. Forward-looking information is based on a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond SCAC's control, which could cause actual results and events to differ materially from those that are disclosed in or implied by such forward-looking information. Such risks and uncertainties include, but are not limited to: failure to complete the Transaction, inability to obtain requisite regulatory or shareholder approvals, changes in general economic, business and political conditions, changes in applicable laws, the U.S. and Canadian

regulatory landscapes and enforcement related to cannabis, changes in public opinion and perception of the cannabis industry, reliance on the expertise and judgment of senior management, as well as the factors discussed under the heading "Risk Factors" in the Prospectus which is available on SEDAR at [www.sedar.com](http://www.sedar.com). SCAC undertakes no obligation to update such forward-looking information, whether as a result of new information, future events or otherwise, except as expressly required by applicable law.

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